

Agenda Item Wording:

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Authorize and award a purchase contract to Sourcewell Master Vehicle contract, 091521-NAF, with National Auto Fleet Group located in Watsonville, CA, in the amount of \$2,791,000 to purchase thirty-two (32) 2024 Ford Police Interceptor patrol vehicles and appropriate \$1,982,300 from various funds.

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Deadline for Action: 8/21/2023

Submitting Department: Police Department

Contact Name and Phone Number: Chief Jason Salazar, ext. 4215, jason.salazar@visalia.city ; Captain Dan Ford, ext. 4151, Daniel.ford@visalia.city ; Financial Analyst Liz Ybarra, ext.4250, liz.ybarra@visalia.city ;

Department Recommendation:

Authorize and award a purchase contract to Sourcewell Master Vehicle contract, 091521-NAF, with National Auto Fleet Group located in Watsonville, CA in the amount of \$2,791,000 to purchase thirty-two (32) 2024 Ford Police Interceptor patrol vehicles and appropriate \$1,982,300 from various funds outlined in the report.

Summary:

The Department annually replaces vehicles as allocated in the budget and in accordance with the City's Vehicle Policy. The Police Department currently has ten (10) patrol vehicles budgeted for replacement in the Vehicle Replacement Fund and two (2) in Measure N. Staff is also recommending to advance the purchase of twenty (20) patrol vehicles from FY24/25, bringing the total purchase to thirty-two (32).

In addition to the thirty-two (32) vehicles, staff has a separate item tonight to advance two (2) Measure N patrol vehicles. This is separate from this report due to Measure N requiring a process to be conducted to amend the budget. If approved, this would replace a total of thirty-four (34) vehicles. These Measure N vehicles would be an amendment to this contract once approved.

As auto manufacturers work towards the development of electric vehicle (EV) models, they are terminating their production of gas-based models, resulting in a higher demand of gas-powered models despite reductions in supply. As a result, the Dodge Charger is no longer an option. Based on the research conducted by staff, the Department is recommending the purchase of thirty (30) fuel-powered Ford Police Interceptors (Ford Explorers upgraded with pursuit rated features) and two (2) hybrid-powered Ford Police Interceptors which will help staff assess the needs and costs related to operating an EV Fleet.

Background Discussion:

In 2010, the Department began using the Dodge Charger as the standard patrol vehicle. The Charger was a replacement for the discontinued Ford Crown Victoria Police Interceptor and has been in use by the Department since that time. The Department was notified in the spring of 2023 that Dodge would discontinue production of the Charger in 2024; however, Dodge indicated at that time they would still be able to fulfill orders made through the 23/24 budget cycle. In July of 2023, due to unprecedented demand, the Department was notified that all available Chargers had been purchased prior to the City's anticipated order date in September-October 2023. This unanticipated circumstance has resulted in numerous police departments having to identify a suitable replacement option for the Dodge Charger, while significantly increasing demand for the remaining gas-powered patrol vehicle options. This increased demand will likely last several years as organizations and the automotive industry adapt to EV legislation.

The Police Department utilizes multiple vehicle types; however, patrol only utilizes pursuit rated vehicles. The department currently has 132 pursuit rated vehicles that get replaced per the City's Vehicle Replacement Policy (10 years and 110,000 miles). Based on the policy requirements, approximately 10 to 15 get replaced annually. In reviewing options to replace the Dodge Charger, staff examined the needs of the Department, the limited options available that meet the necessary minimum requirements for a patrol vehicle, considerations of standardized parts and upfit, all associated costs, and longevity. Based on those considerations, the following fuel-based options were considered.

- Chevrolet
 - Tahoe Police Pursuit Vehicle
 - Silverado Police Pursuit Vehicle
- Dodge
 - Durango Pursuit
- Ford
 - Explorer Police Interceptor
 - F150 Police Responder

After this review, it was determined that the Ford Police Interceptor best met the overall specifications set forth. The Interceptor is one of the most common patrol vehicles on the market today, ensuring that parts are easy to acquire and providing the most economical means to upfit the vehicle with all the needed equipment. The specifications related to maintenance, fuel consumption, and vehicle capabilities are all very similar to the Dodge Charger. Finally, out of the options listed above, the Ford Police Interceptor purchase price is the lowest.

In examining the trends in the automotive industry, it is apparent that manufacturers are more focused on the future and production of EV-rated vehicles. Despite increased EV

development and production, research and assessment of needs related to EV infrastructure, fleet-wide maintenance, vehicle options, and logistics need to catch up. Additionally, there is an increased demand for gas-based vehicles despite a decreasing supply, resulting in a widening gap for organizations (both public and private) in their ability to maintain current fleet operations while preparing for the future of EVs. City Staff are researching the needs, expectations, and costs moving forward. Staff are currently examining the following:

- **Infrastructure:** To move towards an EV fleet, several components must also be considered. Chiefly among them is the number of charging stations that will be needed, where those stations will be located, the charging station capabilities, what accessories will the stations need to provide sufficient power, what maintenance will the charging stations require, and what will be the projected and ongoing cost to make this transition. In addition, modifications to the current infrastructure will also need to be considered. Current parking lots for City vehicles will need to be modified to include underground electrical power transmission, consideration for a larger amount of personal vehicles for staff at each location (assuming the potential of a revised take-home car policy), and consideration of power generating features.
- **Fleet Considerations:** There is a limited sample size to review related to the longevity of EV police fleets. The extreme conditions and use that patrol vehicles are required to tolerate, as well as the added electrical demand for all the components of an emergency vehicle, place a heavy burden on these vehicles and require that they endure this burden for extended periods. The City's current replacement cycle for patrol vehicles requires that they remain in service for at least ten years and reach 110,000 miles. It is unknown if any EV vehicles on the market today can reliably reach this mark. It is also unknown how much the cost of maintaining an EV fleet will be considering the specific certifications and requirements needed to maintain and repair these vehicles. Additional considerations for the implementation of an EV fleet would include the capability of the City's Fleet Maintenance program to service and maintain EV vehicles which will require additional training, equipment, etc.
- **Vehicle options:** The current selection of vehicles is small and untested. South Pasadena is the first known Department to roll out a full EV fleet for deployment (20 vehicles). Other organizations are utilizing pilot programs with a minimal number of EVs. The following cars are being deployed, evaluated, or have been tested on a limited basis by a small number of agencies on a national level:
 - Tesla Model Y
 - Tesla Model 3
 - Chevrolet Blazer
 - Ford Mustang Mach 3

- Ford F150 Lightning
- Logistics: In addition to the infrastructure and fleet concerns, considerations also need to be made related to take-home car program and related policies, MOUs, charging protocols, maintenance procedures, pre-and post-shift inspections, and where the vehicles will be charged and stored (District Substations or Police Administration Building). The Department currently has a take-home car program that allows for most patrol vehicles to be parked at an officer's home (within certain jurisdictional boundaries) when they are not on duty. Vehicle charging needs associated with EVs would require officers to leave their cars at work for charging and requiring a large increase in the number of parking spaces needed for vehicle charging and storage at the District Substations or Police Administration Building; or find agreement through MOU for at-home charging stations and associated costs.

Due to the significant amount of time it will take to research and implement an EV fleet and the associated infrastructure, the City will need to continue forward with a gas-powered option in the short to intermediate future. This will require continuing to meet the needs of the City while working to purchase from a decreasing supply of gas-powered vehicles. For these reasons, the Department is requesting advance the FY24/25 purchase of twenty (20) vehicles. The twenty vehicles include seventeen (17) that are projected to qualify for replacement by the time this order is fulfilled (10 years and 110,000 miles) and three (3) that have been wrecked and will need replacement.

Staff requests to advance the projected order for FY24/25 based on concerns related to supply. With the limited vehicle options available to all police agencies, demand will be higher than supply, and manufacturers will likely be unable to produce and deliver enough pursuit-rated vehicles to satisfy the needs of police departments nationwide; vehicle deliveries will likely be delayed, and prices may surge. The City experienced a similar scenario in FY21/22 when COVID affected production, and the vendor could not provide any of the ordered vehicles. As a result, the order roughly doubled in FY2022/23 at a cost increase of over 31%. In speaking with the vendor, staff have been advised that Ford anticipates being able to meet the demand for orders being made this year, but as organizations continue to purchase from this limited supply, the vendor will be less likely to fulfill requested orders.

In addition to concerns about supply, the ongoing increase in costs is also a concern. The base purchase price of the Ford Police Interceptor was \$4,500 more than that of a Dodge Charger in FY22/23. With Ford becoming the most common replacement for the Charger, staff expects vehicle costs to continue climbing due to demand. Staff are estimating a 5-7% price increase from FY22/23 to FY23/24. On this basis, staff believe advancing the 24/25 order will provide cost savings to the City.

Finally, staff requests the purchase of two Ford Police Interceptor hybrid-powered models to be deployed in patrol settings. Although several agencies have purchased these models, they have all been used for investigative or administrative purposes and have yet to be tested through the rigors of patrol. The Department needs to begin deploying these to examine the maintenance needs and cost for these vehicles moving forward. Based on the push of automotive manufacturers and legislative requirements, all trends indicate that public and private organizations will transition to a hybrid/EV fleet in the long term. To understand the economic impacts of this change, the City must begin to test the vehicles now.

Fiscal Impact:

The estimated base cost for each gas patrol vehicle is \$53,500 and \$56,175 for the hybrid. The cost to upfit the vehicles varies amongst the type of vehicle as shown in Table 1 Estimated Cost Per Vehicle.

Table1

Estimated Cost Per Vehicle				
Vehicle Type	Vehicle Price	Vehicle UpLift	Sales Tax	Vehicle Total Cost
2024 Ford Interceptor	\$ 53,500	\$ 26,750	\$ 6,821	\$ 87,071
2024 Ford Interceptor (BLK)	\$ 53,500	\$ 24,000	\$ 6,588	\$ 84,088
2024 Ford Interceptor -K-9	\$ 53,500	\$ 30,000	\$ 7,098	\$ 90,598
2024 Ford Interceptor -Hybrid	\$ 56,175	\$ 26,750	\$ 7,049	\$ 89,974

The current budget includes 12 patrol vehicles to be replaced with a budget of \$794,500. The budget to replace the Dodge Chargers to the Ford Explorer will need to be amended as shown in Table 2 FY 23/24 Scheduled Patrol Vehicle Replacement. Since Measure N budget amendments need to go through a separate process, staff is requesting to increase the budget for only the vehicles listed in the General Fund Vehicle Replacement Fund which totals \$237,000. Measure N budget amendment is on a separate Council item for discussion.

Table 2

FY 23/24 Scheduled Patrol Vehicle Replacement							
Description	QTY	Unit Cost	Total Cost	FY 23/24 Budget	Additional Funding Needed	CIP #	Fund Name
2024 Ford Interceptor	2	\$ 87,100	\$ 174,200	\$ 160,000	\$ 14,200	VH0214	Measure N Fund
2024 Ford Interceptor (BLK)	1	\$ 84,100	\$ 84,100	\$ 61,850	\$ 22,250	VH0274	Vehicle Replacement Fund
2024 Ford Interceptor -K-9	1	\$ 90,600	\$ 90,600	\$ 56,000	\$ 34,600	VH0237	Vehicle Replacement Fund
2024 Ford Interceptor	8	\$ 87,100	\$ 696,800	\$ 516,650	\$ 180,150	VH0274	Vehicle Replacement Fund
	12		1,045,700	794,500	251,200		

As requested above, staff is requesting to advance the replacement of 20 patrol vehicle for an additional cost of \$1,745,300 as shown in Table 3 Projected FY 24/25 Patrol Vehicle Replacement. The additional funding will be \$609,700 from Police Measure T Vehicle Replacement Fund and \$1,135,600 from the General Fund Vehicle Replacement Fund.

Table 3

Projected FY 24/25 Patrol Vehicle Replacement (Advance to FY 23/24)							
Description	QTY	Unit Cost	Total Cost	Budget	Funding Required	CIP #	Fund Name
2024 Ford Interceptor	7	\$ 87,100	\$ 609,700	\$ -	\$ 609,700	New	Measure T
2024 Ford Interceptor (BLK)	2	\$ 84,100	\$ 168,200	\$ -	\$ 168,200	New	Vehicle Replacement Fund
2024 Ford Interceptor	8	\$ 87,100	\$ 696,800	\$ -	\$ 696,800	New	Vehicle Replacement Fund
2024 Ford Interceptor K-9	1	\$ 90,600	\$ 90,600	\$ -	\$ 90,600	New	Vehicle Replacement Fund
Ford Interceptor -Hybrid	2	\$ 90,000	\$ 180,000	\$ -	\$ 180,000	New	Vehicle Replacement Fund
	20		\$ 1,745,300	\$ -	\$ 1,745,300		

The total appropriation Requested is \$1,982,300 which will be appropriated from the following Funds:

- General Fund Vehicle Replacement \$1,372,600
- Measure T Vehicle Replacement Fund \$ 609,700

Prior Council Action: N/A

Other: N/A

Alternatives: N/A

Recommended Motion (and Alternative Motions if expected):

...recommendation

Award a purchase contract to Sourcewell Master Vehicle contract, 091521-NAF, with National Auto Fleet Group located in Watsonville, CA in the amount of \$2,791,000 to purchase thirty-two (32) 2024 Ford Police Interceptor patrol vehicles and appropriate \$1,982,300 from various funds outlined in the report...end

Environmental Assessment Status: N/A

CEQA Review: N/A

Attachments: N/A